

SENATE BILL 108

By Johnson

AN ACT to amend Tennessee Code Annotated, Title 67,  
Chapter 2, relative to taxes on income derived  
from stock dividends and interest on bonds.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-2-104(a), is amended by deleting the subsection in its entirety and by substituting instead the following:

(a)

(1) For tax years beginning after the effective date of this act, the tax imposed by this chapter does not apply to the first one thousand five hundred dollars (\$1,500) for each individual return or three thousand dollars (\$3,000) of combined income for persons who file jointly, of income otherwise taxable under this chapter.

(2) For tax years beginning January 1, 2012, and in subsequent years, the amount of income exempt under this subsection (a) for each individual return and joint return shall be adjusted annually to reflect inflation, as measured by the United State bureau of labor statistics consumer price index for all urban consumers and shall be rounded to the nearest ten dollars (\$10.00). The amount of exempt income shall be limited to two thousand five hundred dollars (\$2,500) for individual returns in any tax year when the amount adjusted for inflation exceeds two thousand five hundred dollars (\$2,500). The amount of any exempt combined income for persons who file jointly shall be limited to five thousand dollars (\$5,000) in any tax year when the amount adjusted for inflation exceeds five thousand dollars (\$5,000).

SECTION 2. This act shall take effect July 1, 2011, the public welfare requiring it.